

Directive No. 56

**RATE REDUCTION FOR PERSONS OVER
FIFTY-FIVE**

April 29, 1985

At its Regular Session of 1984, the Louisiana Legislature enacted certain legislation pertaining to a rate reduction for those persons over fifty-five years of age or older who successfully complete a defensive driving course approved by the Louisiana Department of Public Safety and Corrections. Act 816 of the 1984 Regular Session of the Louisiana Legislature reads as follows:

"To amend and re-enact R.S. 22:1404(3)(d), relative to automobile insurance rate reduction by the Insurance Rating Commission for a person fifty-five years of age or older completing a defensive driving course; to provide that any course be approved and certified by the Department of Public Safety and Corrections, and otherwise to provide with respect thereto.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1404(3)(d) is hereby amended and re-enacted to read as follows:

§1404. Making of rates

All rates shall be made in accordance with the following provisions:

* * * * *

(3) Rates for casualty insurance to which this Part applies shall also be subject to the following provisions:

* * * * *

(d)(i) The provisions of Sub-Paragraph (c) notwithstanding, the Louisiana Insurance Rating Commission shall authorize an actuarially justified rate reduction, as determined by the carrier, upon application of rate filing by the carrier on bodily injury liability, property damage liability, and collision insurance when the named insured and principal operator is over fifty-five years of age or older and produces certification of

D-125

Added, 1985-1

© 1985, NILS Publishing Company

10/85

LOUISIANA INSURANCE REGULATIONS

successful completion of a defensive driving course approved and certified by the Department of Public Safety and Corrections. Should a vehicle be used by multiple drivers, the rate reduction shall not be authorized on that motor vehicle unless all those who drive the vehicle are fifty-five years of age or older and have completed the course.

(ii) The reduction shall not apply to experience rated or assigned risk policies or to any person eligible for a preferred rating plan or required to pay a substandard risk surcharge for such insurance or to any person whose enrollment in a defensive driving course resulted from a court order or sentence directing his enrollment.

(iii) Such a reduction shall apply to new and renewal policies effective within a period of twenty-four months subsequent to the date of completion of a course. Following the twenty-four months period, the course shall be successfully repeated and evidence again presented in order to again qualify for such credit. The Department of Public Safety and Corrections shall approve the fee a course provider may charge for certification of successful completion. If the policy insures two or more vehicles, the reduction shall apply only to that vehicle principally operated by the eligible person.

* * * * *

Approved July 13, 1984"

Therefore, I hereby direct all companies authorized to transact automobile liability and automobile physical damage insurance in this state to recognize the above requirements of law in all future rate filings made before the Louisiana Insurance Rating Commission. Further, they are directed to cooperate with the Louisiana Department of Public Safety and Corrections in the approval of and certification of defensive driving courses.

Sherman A. Bernard
COMMISSIONER OF INSURANCE

D-126

Added, 1985-1

© 1985, NILS Publishing Company

10/85